

HOUSE BILL NO. 296

INTRODUCED BY M. JOPEK

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A MUNICIPALITY TO IMPOSE A LOCAL OPTION MOTOR FUEL EXCISE TAX UPON APPROVAL OF THE VOTERS OF THE MUNICIPALITY; ALLOWING THE REVENUE TO BE USED FOR PROPERTY TAX RELIEF AND MULTIMODAL TRANSPORTATION AS WELL AS ROAD MAINTENANCE AND CONSTRUCTION; PROHIBITING DOUBLE TAXATION; AND AMENDING SECTIONS 7-14-301, 7-14-302, AND 7-14-303, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-14-301, MCA, is amended to read:

"7-14-301. Local option motor fuel excise tax authorized -- definitions. (1) A motor fuel excise tax may be imposed within a municipality or county:

(a) by the people of the municipality or county by initiative; or

(b) by the ~~board of~~ governing body of the municipality or county ~~commissioners~~ by adoption of a resolution and referral to the people.

(2) The motor fuel excise tax must be imposed in increments of 1 cent per gallon and may not exceed 2 cents per gallon. The tax must be imposed upon gasoline sold to the ultimate consumer within the municipality or county for use in motor vehicles operated upon public highways, streets, and roads.

(3) The initiative or referendum must specify that the tax is to be collected by the department of transportation.

(4) The motor fuel excise tax may not be assessed sooner than 90 days from the date of passage of the initiative or referendum.

(5) Each distributor shall render a monthly statement to the department of transportation of all gasoline distributed during the preceding calendar month in ~~the~~ a municipality or county imposing a local option motor fuel excise tax in which it is sold to the ultimate consumer and other information that the department requires in order to administer the motor fuel excise tax.

(6) The information, recordkeeping, and examination of records provisions of Title 15, chapter 70, apply to this part.

(7) The department of transportation shall establish procedures to provide a refund to a person who has paid the tax but who can substantiate that the motor fuel was purchased for a use other than on public highways, streets, and roads.

(8) In this part, the terms "distributor", "gasoline", "motor vehicle", "person", and "use" have the meanings ascribed to them in 15-70-201."

Section 2. Section 7-14-302, MCA, is amended to read:

"7-14-302. Use of local motor fuel excise tax revenue. (1) A ~~county or~~ municipality or county receiving revenue from the tax authorized by 7-14-301 shall use the revenue derived ~~only~~ for:

(a) property tax relief;

(b) multimodal transportation, such as walkways, bicycle paths, and transportation options not involving motorized vehicles; and

(c) the construction, reconstruction, maintenance, and repair of public streets and roads.

(2) A municipality or county shall contract with the department for reimbursement of the actual costs of collection. One percent of the motor fuel excise tax revenue collected in a ~~county~~ jurisdiction is to be reimbursed to the distributor for the cost of compliance with this part."

Section 3. Section 7-14-303, MCA, is amended to read:

"7-14-303. Allocation of revenue and disposition of funds from county-imposed motor fuel excise tax. (1) Revenue derived from a motor fuel excise tax imposed by a county under 7-14-301 must be apportioned among the county and municipalities in the county:

(a) in the proportion of motor vehicles registered in the county outside of the municipalities to those registered within the municipalities during the preceding year; or

(b) as determined by an interlocal agreement.

(2) A municipality may not impose a motor fuel excise tax if the county in which it is located imposes a motor fuel excise tax.

~~(2)(3)~~ All taxes, interest, and penalties collected by the department of transportation under this part ~~shall~~ must be promptly transmitted to the state treasurer, who shall deposit ~~such the~~ funds in the state special revenue fund to the credit of the department of transportation account. ~~Such The~~ funds ~~shall~~ must be paid quarterly by the state treasurer directly to the municipality or county in which the tax was imposed."

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